



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

Subject:
**Field Control of Railroad and
Utility Adjustments**

CONSTRUCTION MEMORANDUM NO. 02-46

Effective: June 4, 2002

Expires: Indefinite

This memorandum supersedes Construction Memorandum No. 95-46 dated January 3, 1995.

The purpose of this memorandum is to summarize the requirements for field control of Railroad and Utility work when payment is to be made to a Utility or Railroad Company for adjustment or relocation of their facilities under an agreement with the Department.

Adherence to these policies, standards and procedures is necessary to maintain uniformity of inspection and record keeping.

ASSIGNMENT OF PERSONNEL

Adjustments financed in whole or in part with Federal, State, or MFT funds under lump sum or force account agreements:

1. A State or Local Agency Engineer or Inspector will be on the jobsite at intervals that will assure that the work is being done in conformance with the plans and agreements.
2. On Local Agency contracts, periodic inspections will also be made by a District representative.

GENERAL PROCEDURES

1. A preconstruction conference should be held at the site, District Office, or local agency office.
2. No work shall be started until the Railroad or Utility receives authorization to proceed. The Utility or Railroad will be informed that a copy of the signed agreement is not authorization to proceed. A letter from the District Engineer or Local Agency serves as notice to proceed with Utility work. A letter from the Engineer of Local Roads serves as notice to proceed with Local Agency Railroad work. On Railroad work required for adjacent state highway construction, a letter from the District Engineer gives the authorization to proceed. For independent state crossing work a letter from the Engineer of Design & Environment gives the authorization to proceed.
3. Ordinarily the Utility or Railroad work is performed on a force account basis, however, a unit price contract may be utilized in some instances and be specified in the agreement. When the Utility or Railroad agreement does not provide for use of a unit piece contract, and its utilization is desirable, prior approval for Utility work

may be requested from the District Engineer on Form [BDE 804](#); prior approval for Railroad work shall be obtained by letter to the Engineer of Design and Environment or the Engineer of Local Roads and Streets.

- (a) Subject to prior approval by the Engineer of Design and Environment, existing continuing contracts under which certain work is regularly performed for the company and under which the lowest available costs are developed will be considered to conform to these requirements.
 - (b) If a contract is to be awarded, an appropriate solicitation of bids shall be made by the Utility or Railroad. The contract shall be awarded to the lowest qualified bidder. Should the company elect to award the contract to other than this bidder, reimbursement shall be limited to the amount produced by the unit prices submitted by the lowest qualified bidder.
4. Equipment Rental. No prior approval is necessary from the Department or Local Agency for equipment rental, providing the method of rental is properly documented in company files prior to the time equipment is used. This documentation will be subject to audit. Equipment may be rented under the following conditions:
- (a) Existing continuing contracts for rental of vehicles and heavy equipment which the Utility or Railroad determines to be most advantageous to its operations shall be considered to comply with these requirements.
 - (b) In the event of an emergency, such as a breakdown of equipment, the rental of replacement equipment at the lowest rate available shall be acceptable.

DUTIES OF THE ENGINEER OR INSPECTOR

1. The Engineer or Inspector will be familiar with the provisions of this memorandum and also familiar with Articles 105.10 and 105.11 of the Construction Manual and Articles 105.01, 105.07, 105.10, 105.11, 107.10, 107.11, 107.12, 107.20 and 107.31 of the Standard Specifications.

The Engineer or Inspector will have a copy and become thoroughly familiar with the approved agreement, detailed estimate of cost, letter of authorization to proceed, and work drawing prepared by the Utility or Railroad.

2. Field records required.
- (a) Force Account Agreements. The Railroad or Utility shall keep a daily record of the number and classification of persons employed, the material used, major items of equipment used, and any other information that may be of assistance in verification of billing charges. A record shall be made of all materials removed from the jobsite that are returned to stock or scrapped. If a Utility or Railroad has the work performed by an existing continuing contract on a force account basis, daily records shall likewise be made of workforce, equipment and material.
 - (b) Lump Sum Agreements. When work is performed by a Utility or Railroad Company under a lump sum agreement, daily records are not required of

hours worked, material items or equipment time, but the Engineer or Inspector will ensure that the work is accomplished in accordance with the requirements of the agreements.

- (c) Unit Price Basis. When the Utility adjustment is performed by the general roadway contractor or the contractor's agents by contract pay item, a daily record shall be made of the work operation by location and quantity measurement. The documentation is to be dated and initialed and shall become part of the final contract records.
3. There shall be no changes in the scope of work without the written approval of the Department.
 4. The Railroad or Utility shall be instructed to notify the engineer or inspector when all work has been completed on the adjustment. Arrangements for final inspection will be made as soon as possible. Final inspection of the warning signal devices are to be made according to the certification procedures as defined in the Director of Highways letter of August 7, 1981. Final inspection of the crossing surfaces shall be made by the District Bureau of Local Roads for Local Agency contracts and by the District Railroad Specialist and/or Central Bureau of Design and Environment on State projects. Final inspections of the Utility work will be performed by the District
 5. On a general roadway contract, after completion of the Railroad force account work and receipt of the final itemized bill, the Engineer or Inspector will compare the hours of labor, equipment rental, quantity of material and record of recovered material against notes made during construction. Errors shall be reconciled with the railroad for correction before submitting the final bill for payment and audit.
 6. On a non-general roadway contract, the Central Bureaus of Design and Environment or Local Roads and Streets representative will compare the Railroad's final bill against the estimate for the items listed in Item 5 above or will perform a final inspection to check the items. Errors or unexplained differences shall be reconciled with the railroad for correction before submitting the final bill to the Bureau of Accounting and Auditing Services for payment and audit.
 7. Labor rates, overhead costs, material costs, preliminary engineering, off-the-job costs, trucking costs of equipment or material to the job, freight rate costs on ballast, rails, piles or ties, and rental rates of owned equipment will be verified by the Bureau of Accounting and Auditing.

RECOVERED MATERIAL

When the agreement or estimates specifies that a credit is to be made, the following procedures shall be implemented:

1. Utilities. The final bill shall account for all material that has been or is to be removed by the Utility in completing the adjustment. When there is a possibility of theft, material to be recovered may be inspected at the existing Utility site. The disposal of recovered material will be discussed at the preconstruction conference and arrangements made for inspection of this material. All recovered material shall be handled in one of the following procedures:

- (a) Materials recovered in suitable condition for reuse by the Utility are to be credited to the project. The credit allowances are subject to audit.
 - (b) Materials recovered which are not suitable for reuse by the Utility, but which have a salvage value, shall be sold by solicitation of bids or by a regularly practiced disposal system used by the Utility. The Department or Local Agency shall be given the opportunity to inspect the material. The Utility shall be held accountable for material disposed of without notice.
 - (c) Materials recovered which are not suitable for reuse by the utility and have no apparent salvage value may be considered as having no monetary value providing the Department or Local Agency is given the opportunity to inspect the material. This notice to the State or Local Agency of such a proposed inspection is the responsibility of the Utility and the Utility will be held accountable for full value of materials disposed of without notice.
2. Railroads. Credit for recovered material from temporary use or from a permanent facility is required. When an appraisal of value of a retired highway overpass or underpass is to be made, the appraisal for the overpass shall be made by the State or Local Agency and the appraisal for the underpass shall be made by both the State or local agency and the Railroad. Disposition of all recovered material shall be clearly understood between the Engineer or Inspector and the Railroad. If, for any reason, the Railroad considers any major materials as having no salvage value, the disposition of this material shall be discussed with the District or Local Agency immediately.



Gary Gould, P.E.
Engineer of Construction